



The City of Rye, New York
Popular Annual Financial Report
Fiscal Year Ended December 31, 2005

July 15, 2006

Dear Residents and Friends,

Welcome to the City of Rye, New York's *Popular Annual Financial Report* for fiscal year ended December 31, 2005. This report presents the financial information for all City operations in an easy-to-read and understand format.

The information contained in this report is unaudited, and not in accordance with generally accepted accounting principles in that its condensed and simplified presentation does not include all financial statements or notes to the financial statements. Responsibility for the accuracy and completeness of this report rests with City management.

The information contained in this report was derived from the City's *Comprehensive Annual Financial Report* ("CAFR") for the fiscal year ending December 31, 2005. Those seeking a deeper understanding of the City and its operations are encouraged to review a copy of the CAFR, available at City Hall, the Rye Free Reading Room, and on the City's website.

As always, we invite your comments, questions and suggestions.

Sincerely,
CITY OF RYE

O. Paul Shew
City Manager

Michael A. Genito
Assistant City Manager
City Comptroller

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**CITY OF RYE,
NEW YORK**

**for the Fiscal Year Ended
December 31, 2004**



Carol E. Prange
President

Jeffrey L. Esler
Executive Director

Award for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Rye, New York for its Popular Annual Financial Report for the fiscal year ended December 31, 2004.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Rye, New York received its first Popular Award for fiscal year ended December 31, 2004. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and are submitting it to the GFOA.



The City of Rye Seal - The City's seal depicts three important dates in the history of the City of Rye, New York:

1660 – The year Rye was settled, represented by a peace pipe.

1904 – The year Rye was incorporated as a village, represented by a torch of progress.

1942 – The year Rye was incorporated as a City.

The ship in the center is copied from the seal of the ancient Town of Rye, England.

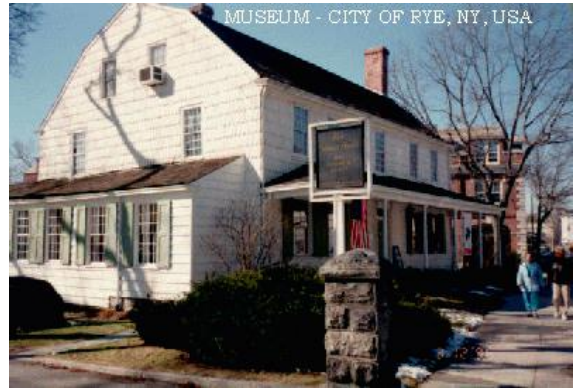
A Brief History of Rye, New York

Rye, N.Y. is the oldest permanent settlement in Westchester County. It began in 1660 when a small group of settlers from Greenwich, Connecticut purchased tracts of land from the Mohegan Indians. In 1665, Connecticut merged these settlements under the name of Rye in honor of the ancient Town of Rye, England. In 1683, King Charles II ceded Rye to the Province of New York as a gift to his brother, the Duke of York.

In 1695 a New York court severed the Harrison area from the settlement and Rye once again became a part of Connecticut. In 1700 a royal decree made Rye a permanent part of New York, and in 1788 the New York State Legislature officially established the Town of Rye boundaries.

The Rye/Oyster Bay ferry (which began service in 1739) and the New York City/Boston stagecoach (which began service in 1772) provided transportation to and from Rye. Rye's Square House Inn (circa 1730) was a popular stopping place for travelers. In the 1800's, steamboat and rail service between Rye and New York City made Rye a popular summer resort.

The community residing in the originally settled area became disenchanted with the Town of Rye. On September 12, 1904 the taxpayers voted to become the Village of Rye. Eventually, the residents desired the many advantages of city status and complete independence from Town government. In 1940, the New York State Legislature approved and the residents adopted the Rye City Charter. On January 1, 1942, Rye became Westchester County's sixth and smallest city.



Franklin Milestone
Rye, N.Y.

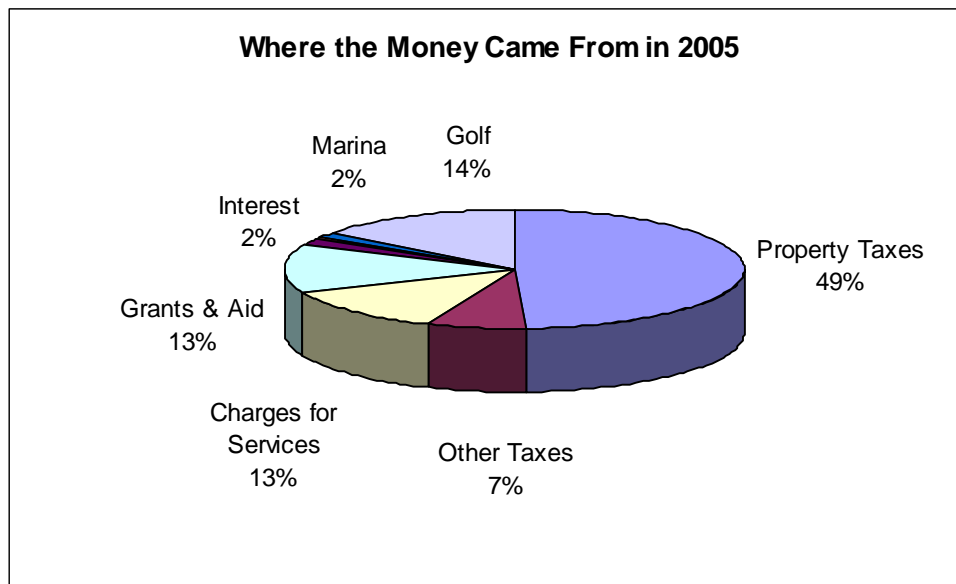
The City of Rye still retains many historical landmarks, including:

- ❖ the original home site and burial place of John Jay, first chief justice of the United States;
- ❖ the Timothy-Knapp house, built in the 1660's;
- ❖ the Square House, now a museum;
- ❖ the 24th, 25th, and 26th milestones to New York City fixed by Benjamin Franklin along the Post Road in 1763;
- ❖ 51 Milton Road, a colonial building dating back to 1788 and currently the Rye Arts Center;
- ❖ the Milton and Purdy cemeteries with gravestones of two centuries ago, and,
- ❖ the original Milton district school house, built in 1830 and now a private residence.

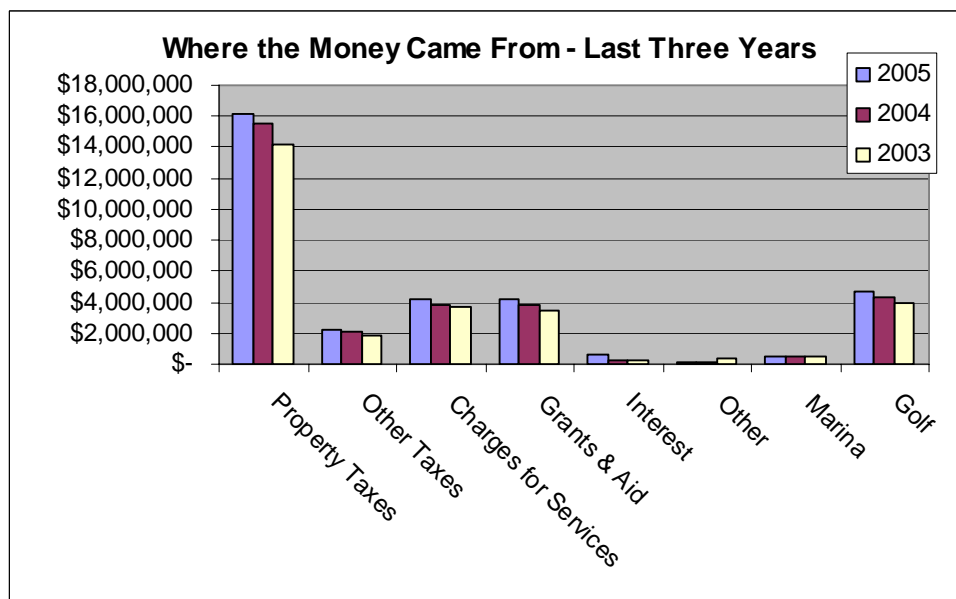
Where the Money Came From

By far, the City's greatest single source of revenue is property taxes, with 2005 bringing in \$16,141,660, and another \$2,266,922 was collected in other taxes. City departments collected \$4,164,100 in charges and fees for services, and the City received \$4,221,801 in grants and aid. Interest earnings and rental of property amounted to \$675,195 and \$101,010 was received from a variety of miscellaneous sources.

The City's "business-type" operations (marina and golf club) are designed to recover 100% of their costs, including debt payments and depreciation. In 2005 marina operations brought in \$542,397 and golf club operations brought in \$4,723,373.

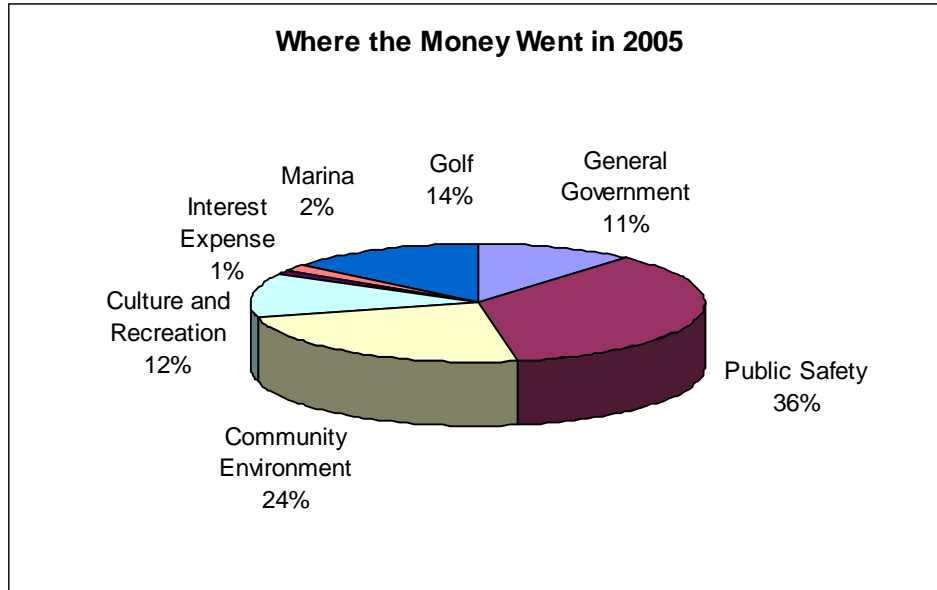


A comparison of these same revenue sources for the past three years is presented below.

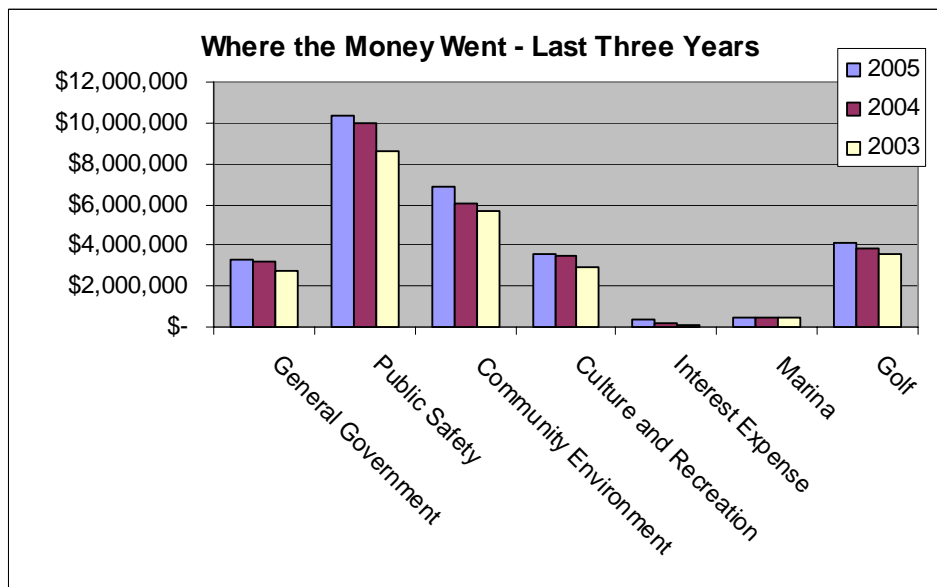


Where the Money Went

As can be seen from the chart below, 36% of the City's 2005 expenses (\$10,379,989) went to public safety (police, fire, emergency medical services, building inspection); 24% (\$6,836,952) was spent on community environment (streets, drains, sewers, shade trees, community beautification); general government (city manager, city council, finance, law, city clerk, assessment) accounted for 11% (\$3,285,497), and general culture and recreation 12% (\$3,558,305). Marina operation expenses of \$446,916 (2%) and golf club operation expenses of \$4,115,177 (14%) complete the picture of 2005 expenses.



A comparison of these same expenses for the past three years is presented below.



Where We Stood at December 31

The City's statement of net assets provides a "snapshot" of where we stood financially on December 31, the last day of the fiscal year. Net assets represent the City's ownership (equity) in the assets within its possession.

Where We Stood at December 31			
	2005	2004	2003
Assets:			
Cash and investments	\$ 25,165,759	\$ 17,681,713	\$ 17,536,475
Receivables	1,842,541	1,960,049	1,790,199
Prepaid expenses	1,128,576	1,139,120	545,690
Capital assets, net of depreciation	34,999,709	31,907,874	30,960,722
Total Assets	63,136,585	52,688,756	50,833,086
Liabilities:			
Accounts payable	2,012,940	1,404,882	1,471,316
Accrued liabilities	682,873	567,605	352,811
Unearned revenues	341,481	231,925	246,414
Bonds and notes payable	22,151,013	16,683,013	18,805,000
Other liabilities	2,042,425	1,775,537	1,408,124
Total Liabilities	27,230,732	20,662,962	22,283,665
Net Assets:			
Invested in capital assets, net	21,798,355	17,883,873	19,663,498
Restricted	1,762,703	1,560,265	1,470,395
Unrestricted	12,344,795	12,581,656	7,415,528
Total Net Assets	\$ 35,905,853	\$ 32,025,794	\$ 28,549,421

A portion of this ownership (invested in capital assets, net of related debt) represents the City's investment in capital assets - land, buildings, improvements, equipment, and infrastructure (streets, drains, sewers, etc.).

Another portion (restricted net assets) represents assets that can only be used for the redemption of debt, purposes specified by law or trust agreements, or having other external restrictions.

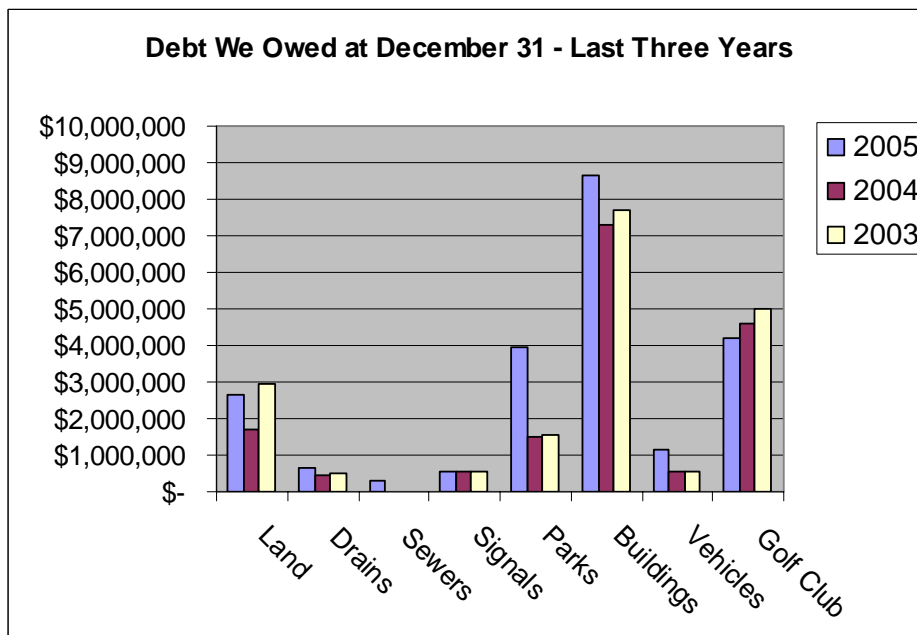
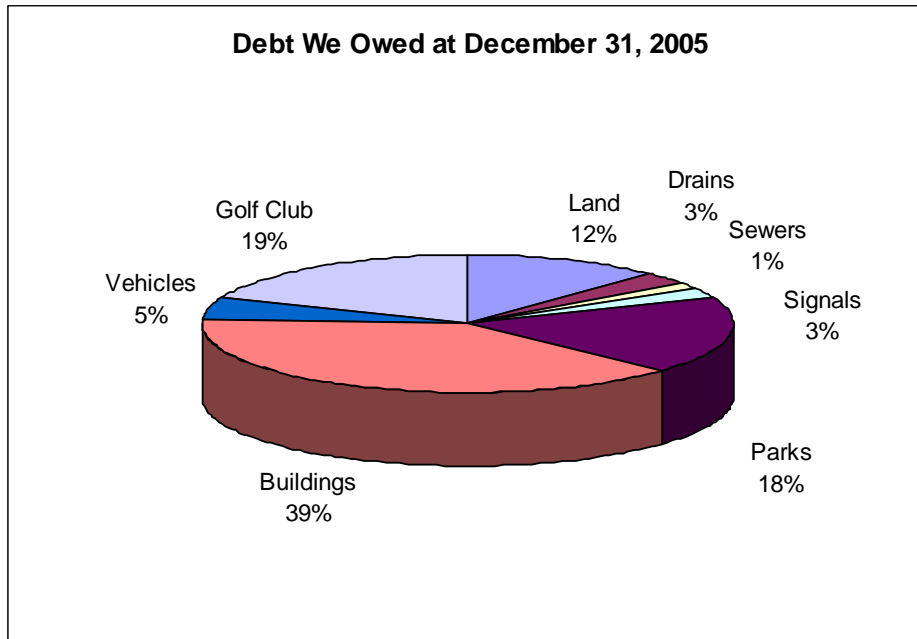
Unrestricted net assets represent amounts that may be used by the City for any legal purpose. The City has adopted a written Comprehensive Financial Policy Document that provides for the retention and use of its unrestricted net assets, copies of which are available at City Hall, the Rye Free Reading Room, and the City's website <http://www.ryeny.gov/finance/Reports/finrpts.htm>.

From 2004 to 2005 our net assets increased by \$3,880,059 and the unrestricted portion of net assets decreased by \$236,861. At December 31, 2005, unrestricted net assets represented 38% of 2005 revenues and 43% of 2005 expenses. The above chart depicts our assets, liabilities, and net assets as they were at December 31 in each of the last three years.

Debt We Owed at December 31

The City's total outstanding debt includes all long-term debt (serial bonds) and short-term debt (notes payable). In fiscal 2005 the City issued \$6,428,000 in new debt and paid of \$960,000 of existing debt, bringing its debt outstanding from \$16,683,013 to \$22,151,013.

The New York State constitutional debt limit, the Rye City Charter and the City's debt policy places limitations on the issuance of debt. At December 31, 2005 the City of Rye had exhausted only 6.94% of its New York State Constitutional Debt Limit. The charts below depict our outstanding debt and the purpose of that debt at December 31, 2005.



We hope you have enjoyed reading the *City of Rye 2005 Popular Annual Financial Report* and invite you to read our other award winning documents: the Comprehensive Annual Financial Report and the Annual Budget Document. These and many other interesting City publications may be found at <http://www.ryeny.gov/finance/Reports/finrpts.htm>.



Did You Know?

Oystering was an important occupation early in the history of Rye.

Steamboat service and completion of the New Haven Railroad in the mid 1800's made Rye a popular summer resort for New York City residents, with horseracing on "The Flats" (Rye Beach) a special attraction.

The City of Rye is among an elite handful of small cities in the United States that have a "triple A" (Aaa) debt rating from Moody's Investor Services?



Census 2000 data for the City includes the following:

Population	14,955
Median age	38.1
Median household income	\$110,894
Median family income	\$133,231
Per capita income	\$76,566
Median value, single-family home.....	\$635,700



Police Booth
Rye, N.Y.

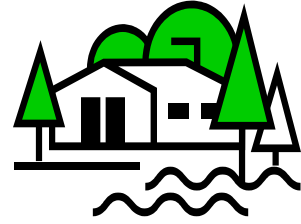
Home, Sweet Home

According to the City of Rye Assessor, the average residential home in Rye sold for \$1.5 million in 2005.

The highest price paid for a single-family home was \$10.6 million. Fifty-nine percent of the home sold fetched \$1 million or more, and 23% of the homes sold for more than \$2 million each.

An Important Word About Property Taxes

The City of Rye Finance Department bills and collects property taxes for the City of Rye, and acts as the billing and collection agent for the County of Westchester and the Rye Neck Union Free School District for those properties located within the City of Rye. Property taxes related to the Rye City School District are billed and collected directly by the Rye City School District.



City of Rye taxes are billed and collected penalty-free in the month of February. Westchester County taxes are billed and collected penalty-free in the month of May. Rye Neck Union Free School District taxes are billed in the month of September, with one-half the amount due penalty-free in September and the other half due penalty-free in November. Rye City School District taxes are billed in the month of August, with one-half the amount due penalty-free in August and the other half due penalty-free in November. Penalties for overdue taxes start at 2% and rise to 12% of the amount due by the ninth month overdue.

Your tax payments must be received, or postmarked by the United States Postal Service (postmarks produced by home/office postage machines are not sufficient), on or before the due date to avoid penalties and interest. Due dates that fall on a Saturday, Sunday, or holiday are automatically extended to the next business day. Postdated checks cannot be applied to taxes due, and will be returned to the issuer, which may result in late payment penalties.

Please note that under New York State law, the City of Rye cannot waive penalties or interest on overdue or late tax payments for any reason, unless the Governor has issued an Executive Order and/or the State Legislature has passed special legislation. This applies even if you do not recall receiving a tax bill.



We highly recommend that you mark your calendar with the property tax due dates, and if you do not receive a tax bill within 10 days of the month due you contact the Finance Department at 914-967-7303.

MARK YOUR CALENDAR FOR PROPERTY TAX DUE DATES!



Useful Telephone Numbers

*****Dial 911 for Any Emergency *****

City of Rye:	(Area Code 914)
Assessor - Noreen Whitty, City Assessor.....	967-7565
Building Department - Vincenzo Tamburro, Inspector.....	967-7372
City Clerk – Susan Morison, City Clerk	967-7371
City Manager – O. Paul Shew, City Manager	967-7404
Corporation Counsel – Kevin J. Plunkett, City Manager	967-7074
Engineering – George Mottarella, City Engineer.....	967-7676
Finance – Michael A. Genito, City Comptroller	967-7303
Fire (non-emergency) – John Wickham, Fire Chief.....	967-4530
Golf Club – Scott Yandrasevich, Golf Club Manager	835-3205
Human Resources – Scott Pickup, Assistant City Manager.....	967-7279
Municipal Boat Basin – Peter Fox, Boat Basin Supervisor.....	967-2011
Nature Center – Chantal Detlefs, City Naturalist.....	967-5150
Parking Permits – Susan Morison, City Clerk.....	967-7371
Parking Violations – Michael A. Genito, City Comptroller.....	967-7303
Planning – Christian Miller, City Planner	967-7167
Police – William Connors, Police Commissioner	967-1234
Property Taxes – Michael A. Genito, City Comptroller	967-7303
Public Works – George Mottarella, City Engineer	967-7464
Recreation – William Rodriguez, Recreation Superintendent	967-2535
Metro-North Railroad (Rye)	967-3873
Rye City School District	967-6100
Rye Free Reading Room.....	967-0480
Rye Historical Society (Square House)	967-7588
Rye Manor (Senior Housing).....	967-5023
Rye Playland	813-7000
Rye Town Park	967-0996
Westchester County	995-2000